

Dated: July 1, 1997.

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 97-17774 Filed 7-7-97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-805]

Circular Welded Non-Alloy Steel Pipe From Mexico; Antidumping Duty Administrative Review; Extension of Time Limit

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of extension of time limit.

SUMMARY: The Department of Commerce (the Department) is extending the time limit of the preliminary results of the antidumping duty administrative review of Circular Welded Non-Alloy Steel Pipe from Mexico. This review covers the period November 1, 1995 through October 31, 1996.

EFFECTIVE DATE: July 8, 1997.

FOR FURTHER INFORMATION CONTACT:

Ilissa Kabak or Linda Ludwig, Office of AD/CVD Enforcement, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0182 or 482-3833, respectively.

SUPPLEMENTARY INFORMATION: Due to the complexity of issues involved in this case, it is not practicable to complete this review within the original time limit. The Department is extending the time limit for completion of the preliminary results until December 2, 1997, in accordance with Section 751(a)(3)(A) of the Trade and Tariff Act of 1930, as amended by the Uruguay Round Agreements Act of 1994 (see memorandum from Joseph A. Spetrini to Robert S. LaRussa, Subject: Antidumping Duty Administrative Review of Circular Welded Non-Alloy Steel Pipe from Mexico: Extension of Case Deadline for New Law Review). The deadline for the final results of this review will continue to be 120 days after publication of the preliminary results.

This extension is in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(a)(3)(A)).

Dated: June 17, 1997.

Roland L. MacDonald,

Acting Deputy Assistant Secretary, Enforcement Group III.

[FR Doc. 97-17727 Filed 7-7-97; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-791-802]

Furfuryl Alcohol From the Republic of South Africa; Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of antidumping duty administrative review.

SUMMARY: In response to requests by the respondent, Illovo Sugar Ltd. (ISL), and the petitioner, QO Chemicals Inc., the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on furfuryl alcohol from the Republic of South Africa (South Africa). The review covers one manufacturer/exporter of the subject merchandise to the United States. The period of review (POR) is December 16, 1994, through May 31, 1996.

We have preliminarily found that sales have been made below normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs to assess antidumping duties equal to the difference between the constructed export price (CEP) and the normal value (NV). Interested parties are invited to comment on these preliminary results. Parties who submit case briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

EFFECTIVE DATE: July 8, 1997.

FOR FURTHER INFORMATION CONTACT:

Michelle Frederick or Scott Oudkirk, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, Washington, D.C. 20230; telephone: (202) 482-0186 or 482-2336, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as

amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreement Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the provisions codified at 19 CFR part 353, as of April 1, 1996.

Background

On June 21, 1995, the Department published in the **Federal Register** (60 FR 32302) the antidumping duty order on furfuryl alcohol from South Africa. On June 6, 1996, the Department published a notice of "Opportunity to Request an Administrative Review" (61 FR 28840) of this antidumping duty order for the period December 16, 1994, through May 31, 1996. On June 10, 1996, ISL requested that the Department conduct an administrative review of its sales of subject merchandise during the POR. On June 28, 1996, Petitioner also requested an administrative review of ISL's POR sales. We issued a questionnaire to ISL on July 23, 1996, followed by supplemental questionnaires on March 14, 1997, and May 9, 1997. We published a notice of postponement of the deadline for the preliminary results on January 24, 1997 (62 FR 3660) due to complex legal and methodological issues.

Scope of Review

The merchandise covered by this order is furfuryl alcohol (C₄H₇OCH₂OH). Furfuryl alcohol is a primary alcohol, and is colorless or pale yellow in appearance. It is used in the manufacture of resins and as a wetting agent and solvent for coating resins, nitrocellulose, cellulose acetate, and other soluble dyes. The product subject to this order is classifiable under subheading 2932.13.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Constructed Export Price

For sales to the United States, we used CEP as defined in section 772(b) of the Act, because we determined that ISL is affiliated with its exclusive U.S. agent, Harborchem, and because the subject merchandise was sold to unaffiliated U.S. purchasers after the date of importation. Our finding that ISL and Harborchem are affiliated is consistent with our finding in the Less Than Fair Value (LTFV) Investigation. See Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from

the Republic of South Africa, 60 FR 22550, 22552 (May 8, 1995). The facts that led to this finding in the Investigation have not changed. Moreover, contrary to comments submitted by Petitioner, we do not interpret the definition of "Affiliated Persons" (section 771(33) of the Act) to preclude a finding of affiliation through agency.

We calculated CEP based on f.o.b. and c.i.f. prices to unaffiliated purchasers in the United States. We made deductions, where applicable, for foreign inland movement expenses, including foreign warehousing and warehousing insurance, domestic brokerage and handling, ocean freight, marine insurance, and U.S. brokerage and handling in accordance with section 772(c)(2)(A) of the Act.

We deducted direct selling expenses and indirect selling expenses associated with commercial activity in the United States in accordance with section 772(d)(1) of the Act. We deducted a percentage for profit attributable to direct, indirect, and imputed selling expenses incurred in the United States in accordance with section 772(d)(3) of the Act. For a further discussion of the calculation of this profit amount, see the Analysis Memorandum to the File dated June 30, 1997.

ISL requested that we disregard certain U.S. sales from our analysis that it claims, based on a first-in, first-out accounting methodology, entered prior to the suspension of liquidation. We preliminarily determine that the description provided by ISL of the methodology used to tie pre-order entries to post-order sales, as described at pages 80–81 of ISL's April 10, 1997, response, does not sufficiently link POR sales to specific pre-suspension entries. We therefore have not excluded these sales. See Final Results of Antidumping Duty Administrative Review: Industrial Belts and Components and Parts Thereof, Whether Cured or Uncured, From Italy, 57 FR 8295 (March 9, 1992).

No other adjustments to CEP were claimed or allowed.

Normal Value

We determined that the quantity of foreign like product ISL sold in the exporting country was sufficient to permit a proper comparison with the sales of the subject merchandise to the United States, pursuant to section 773(a) of the Act. ISL had sales in its home market that were greater than five percent of the U.S. market. Further, based on the information on the record, we did not find the existence, as alleged by Petitioner, of a fictitious home market or of a particular market

situation within the meaning of sections 773(a)(2) or 773(a)(1)(C)(iii) of the Act, respectively. See Memorandum from Michelle Frederick and Scott Oudkirk to Acting Deputy Assistant Secretary: Petitioner's contention that the Department should not determine normal value using home market sales due to a fictitious home market or a particular market situation, June 30, 1997. Therefore, in accordance with section 773(a)(1)(B)(i) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in South Africa.

Pursuant to section 777A(d)(2) of the Act, we compared the CEPs of individual transactions to the monthly weighted-average price of sales of the foreign like product. We compared CEP sales to sales in the home market of identical merchandise. We used the purchase order date as the home market date of sale because, except in an extremely limited number of sales primarily involving events beyond the parties' control (e.g., railway strikes), that was the date on which the essential terms, price and quantity, were set. See 19 CFR 351.401(i) of the Department's revised regulations (62 FR 27296, 27411 (May 19, 1997)) for a concise description of our practice regarding date of sale.

We based NV on the price at which the foreign like product is first sold for consumption in the exporting country, in the usual commercial quantities, in the ordinary course of trade and at the same level of trade (LOT) as the CEP, in accordance with section 773(a)(1)(B)(i) of the Act. We made adjustments, where appropriate, for rebates. We adjusted for home market packing and movement expenses in accordance with section 773(a)(6)(B) (i) and (ii) of the Act. Pursuant to section 773(a)(6)(C)(iii) of the Act, we made a circumstance-of-sale (COS) adjustment to NV by deducting home market credit expenses. Prices were reported net of value-added taxes (VAT) and, therefore, no adjustment for VAT was necessary.

ISL stated that it granted quantity discounts based on its home market price list and requested that we either apply the quantity discount granted on home market sales above eight metric tons to all undiscounted home market sales below eight metric tons or, alternatively, that we match home market sales to U.S. sales based on the quantity bands as shown on the price list. We have not adopted either suggestion because we have determined that ISL did not adhere sufficiently to its home market price list, which is the basis for the discount, during the POR. See the Analysis Memorandum to the

File, dated June 30, 1997, for our analysis regarding ISL's adherence to its price list.

No other adjustments to NV were claimed or allowed.

Level of Trade (LOT)/CEP Offset

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action (SAA) accompanying the URAA at 829–831, to the extent practicable, the Department will calculate NV based on sales at the same LOT as the U.S. sales. When the Department is unable to find sales of the foreign like product in the comparison market at the same LOT as the U.S. sale, the Department may compare the U.S. sale to sales at a different LOT in the comparison market.

When CEP is applicable, as is the situation in this case, section 773(a)(7)(B) of the Act establishes that a CEP "offset" may be made when two conditions exist: (1) NV is established at a LOT which constitutes a more advanced stage of distribution than the LOT of the CEP; and (2) the data available do not provide an appropriate basis for a level-of-trade adjustment.

Our practice is to determine that sales are made at different levels of trade if they are made at different marketing stages (or their equivalent). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stage of marketing. See Notice of Final Results: Antidumping Duty Administrative Review of Antifriction Bearings from France et al., 62 FR 2081, 2105 (January 15, 1997). See also 19 CFR 351.412 of the Department's revised regulations (62 FR 27296, 27414–27415 (May 19, 1997)) for a concise description of this practice.

In implementing these principles in this review, we obtained information about the marketing stage involved in the reported home market and U.S. sales, including a description of the selling activities performed by ISL for each channel of distribution. ISL claimed that the LOT of the CEP was different than the LOT of its home market sales. ISL claimed one LOT and one channel of distribution with regard to its sales to its U.S. affiliate, Harborchem. For its home market, ISL claimed only one channel of distribution, from ISL to end users, which it claimed to be at a more advanced stage of distribution than the LOT of the CEP (*i.e.*, the sales from ISL to Harborchem) based on the selling functions performed for the particular markets.

In order to determine whether the selling activities involved in the CEP

and the home market sales differed substantially, we reviewed the selling activities associated with the CEP and those associated with home market sales. For CEP sales, we considered only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act.

In this review, we preliminarily determine that the selling functions performed by ISL for the home market did not differ substantially from those performed by ISL for CEP sales, and that ISL's home market LOT therefore does not constitute a more advanced stage of distribution than the LOT of the CEP. ISL's assertion that the selling functions it performs for its home market LOT differ from the selling functions it performs for the LOT of the CEP rests on claims that: (1) ISL's visits to the U.S. agent to help market the merchandise to U.S. customers are fundamentally different from marketing calls in the home market; (2) ISL does not perform "multiple delivery inventory tracking" for its U.S. agent but does so for home market customers; (3) ISL's prices to the U.S. agent are based on expected sales to unaffiliated customers whereas prices to home market customers are based on price lists; and (4) ISL provides quality control reports to the U.S. agent, while it provides technical services to home market customers in the form of reports and technical advice in the use of furfuryl alcohol. We do not deem the above four claims to constitute substantially different selling activities that meet the necessary condition for determining that there is a difference in the stage of marketing.

In view of the fact that we preliminarily determine that ISL's sales to the home market were at a LOT that does not constitute a more advanced stage of distribution than the LOT of the CEP, we did not make a CEP "offset" pursuant to section 773(a)(7)(B) of the Act.

Reimbursement of Antidumping Duties

19 CFR 353.26 requires the deduction from U.S. price (now the export price or constructed export price) of antidumping duties that a producer or reseller pays directly on behalf of the importer or reimburses to the importer. This regulation applies when the importer is an affiliated party and when the importer is unaffiliated. See Final Results of Antidumping Duty Administrative Review: Color Television Receivers from the Republic of Korea, 61 FR 4408, 4410-11 (Feb. 6, 1996). That interpretation is consistent with both the plain language of the regulation and the regulatory history.

See, e.g., 19 CFR 353.41 (defining United States price as the purchase price or the exporter's sales price). See also 19 CFR 351.402(f) of the Department's revised regulations (62 FR 27296, 27411 (May 19, 1997)) for a concise description of our practice of applying the reimbursement regulation to both affiliated and unaffiliated parties. Further, the reimbursement provision can apply to a first review even though assessment has not yet occurred. See Final Results of Administrative Review: Certain Cold-Rolled Carbon Steel Flat Products from the Netherlands, 61 FR 48465, 48470 (September 13, 1996).

Applying these principles to this proceeding, we preliminarily determine that ISL has reimbursed Harborchem for antidumping duties in this review period. Accordingly, in determining the duties to be assessed for this period, we have made a downward adjustment to CEP to reflect the reimbursement. Due to the proprietary nature of the information relating to this issue, we have discussed our findings in more detail in the proprietary Analysis Memorandum to the File, dated June 30, 1997.

Preliminary Results of Review

As a result of this review, we preliminarily determine that the following margin exists for the period December 16, 1994, through May 31, 1996:

Manufacturer/exporter	Margin (percent)
Illovo Sugar Ltd	2.34

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within ten days of publication. Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Parties who submit arguments in this proceeding are requested to submit with each argument: (1) A statement of the issues, and (2) a brief summary of the arguments. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. The Department will issue a notice of the final results of this administrative review, which will include the results of its analysis of issues raised in any such briefs, within 120 days from the publication of these preliminary results.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to the Customs Service. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties. For duty assessment purposes, we calculated an assessment rate by aggregating the dumping margins calculated for all U.S. sales and dividing this amount by the total entered value subject merchandise sold. This rate will be used for the assessment of antidumping duties on the relevant entries of subject merchandise during the POR. Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of furfuryl alcohol from the Republic of South Africa entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for ISL will be the rate established in the final results of administrative review; (2) if the exporter is not a firm covered in this review or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (3) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews, the cash deposit rate will be 11.55 percent, the "all others" rate established in the LTFV investigation (60 FR 32302, June 21, 1995).

This notice serves as a preliminary reminder to importers of their responsibility to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 751(d) of the Act (19 U.S.C. 1675(a)(1)), 19 CFR 353.22, and 19 CFR 353.25.

Dated: June 30, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

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